Message Text

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ACTION SS-30

INFO OCT-01 ISO-00 /031 W

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R 081605Z JUL 74

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 7175

S E C R E T BUENOS AIRES 4961

EXDIS

E.O. 11652: GDS

TAGS: PFOR, MILI, AR, MASS

SUBJECT: EMBASSY SUGGESTED ALTERNATIVES TO IMPOSING SANCTIONS

UNDER 620 (A)(3)

- 1. SUMMARY: EMBASSY CONTINUES TO BELIEVE THAT IMPLEMENTATION OF SANCTIONS AGAINST ARGENTINA UNDER 620 (A)(3) WILL HAVE ADVERSE AND LONG LASTING NEGATIVE CONSEQUENCES FOR US-GOA RELATIONS AND SETS FORTH THE FOLLOWING ALTERNATIVE PROPOSALS WHICH ALL HAVE AS THEIR OBJECTIVE THE MINIMIZATION OF THE NEGATIVE IMPACT ON OUR RELATIONS. END SUMMARY.
- 2. THE EMBASSY ASSUMES THAT A WAIVER UNDER 614 IS NOT A REALISTIC POSSIBILITY. HOWEVER, IN VIEW OF POLITICAL SITUATION HERE CREATED BY DEATH OF PRES JUAN DOMINGO PERON, EMBASSY ASKS THAT WASHINGTON AGENCIES CONSIDER ON URGENT BASIS, SEARCH FOR OTHER ALTERNATIVES WHICH WOULD MINIMIZE EFFECT OF SANCTIONS. IM IMPLEMENTED AT THIS TIME, SANCTIONS WOULD MAGNIFY BOTH THE IMPORTANCE OF OUR ACT AND THEIR NEGATIVE POLITICAL CONSEQUENCES. ARGENTINA'S ARMY COLONEL'S COURSE SCHEDULED FOR AUGUST, 1974, POSES GREATEST POTENTIAL FOR TRIGGERING FLAP AND SHOULD IF POSSIBLE BE ISOLATED FROM GENERAL APPLICATION OF SANCTIONS.
- 3. IF EMBASSY MUST INFORM HOST COUNTERPARTS THAT NO FUNDING AVAILABLE UNDER FAA BECAUSE OF 620 (A)(3), WE URGE THAT WASHINGTON AGENCIES REVIEW ALL POSSIBILITIES OF ALTERNATIVE FUNDING FOR PRIORITY OBJECTIVES IN FY75 PROGRAM--LEADER GRANTS, EXCHANGE PROGRAMS, COMMANDER DISCRETIONARY FUNDS, USE OF FMS CREDIT SECRET

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FOR TRAINING, ETC. SO THAT PRACTICAL IMPACT OF OUR ACTION BE

CUSHIONED AT LEAST BEYOND IMMEDIATE PERIOD OF INTENSE POLITICAL INFIGHTING FOLLOWING PERON'S DEATH. DURING THIS PERIOD ANY ACTS WHICH CAN BE INTERPRETED AS US ATTENPTS TO TAKE ADVANTAGE OF A WEAKENED ARGENTINA WILL BE SEIZED ON BY OUR OPPONENTS TO OUR GREAT DISADVANTAGE. IF ALTERNATIVE FUNDING WILL NOT COVER ENTIRE PROJECTED PROGRAM, THEN AGAIN, PARTICULAR ATTENTION TO UPCOMING ORIENTATION VISIT BY COLONEL'S COURSE SHOULD BE PRIORITY ITEM.

4. EMBASSY SUGGESTION RE POSSIBLE "FINDING" BY US THAT ARGENTINA, IS A DEVELOPED COUNTRY AND THEREFORE NO LONGER QUALIFIES FOR FAA FUNDING, SHOULD GO FORWARD IN CONJUCTION WITH EXPLORATION OF OTHER ALTERNATIVES CITED ABOVE. IF SUCH DETERMINATION PROVES AS LAST RESORT TO BE DESIRABLE OPTION, IT SHOULD IF AT ALL POSSIBLE, BE DONE IN CONNECTION WITH SIMILAR DETERMINATION FOR BRAZIL. IF THIS IS NOT POSSIBLE, STATEMENT THAT ARGENTINA AS

MOST DEVELOPED LA COUNTRY AND NO LONGER ELIGIBLE FOR FOREIGN ASSISTANCE, COUPLED WITH STATEMENT THAT WE ARE REVIEWING PROGRAMS TO OTHER LA'S SHOULD SERVE TO GET US BY HERE. SUSPICIONS AMONG ARGENTINES THAT 620 (A)(3) WAS MOTIVE, PREFERABLE TO BALD FACT OF ACTUALLY IMPLEMENTING SANCTIONS.

5. COMMENTS: EMBASSY XU#NEED FOR TIME N#GUIDANCE THAT WILL

PROVIDE BASIS ON WHICH WE MAY APPROACH GOA IS UNDIMINISHED. THUS, SUGGESTIONS OUTLINED ABOVE WOULD BE OF LITTLE UTILITY IF APPROVAL WOULD REQUIRE PROTRACTED DEBATE. FURTHERMORE, EMBASSY DOES HAVE SOME RELUCTANCE WITH REGARD TO POLITICAL SOLUTION PROPOSED PARA 4. IT IS OFFERED AS A LAST RESORT AND ITS ATTRACTIVENESS SHOULD BE SEEN SOLELY FOR THE POSSIBILITIES IT OFFERS OF AVOIDING A CONFRONTATION. IN THIS LIGHT, EMBASSY WOULD ASK THAT IF SOLUTION FEASIBLE, WASHINGTON PROVIDE READING ON ITS FUTURE REVERSIBILITY, FOR EMBASSY STILL BELIEVES THAT MAINTENANCE OF GRANT TRAINING IS VERY DEFINITELY IN OUR INTEREST.

NOTE BY OC/T: #AS RECEIVED. SECRET

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Message Attributes

Automatic Decaptioning: Z Capture Date: 01 JAN 1994 Channel Indicators: n/a

Current Classification: UNCLASSIFIED

Concepts: MILITARY ASSISTANCE, FOREIGN ASSISTANCE LAW, FOREIGN POLICY POSITION

Control Number: n/a Copy: SINGLE Draft Date: 08 JUL 1974 Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW Disposition Action: RELEASED Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: martinml
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BUENIOS04961

Document Number: 1974BUENOS04961 Document Source: CORE Document Unique ID: 00

Drafter: n/a Enclosure: n/a Executive Order: GS Errors: N/A

Film Number: D740181-0380 From: BUENOS AIRES Handling Restrictions: n/a

Image Path: ISecure: 1

Legacy Key: link1974/newtext/t19740769/aaaachiu.tel Line Count: 98

Locator: TEXT ON-LINE, ON MICROFILM Office: ACTION SS

Original Classification: SECRET Original Handling Restrictions: EXDIS Original Previous Classification: n/a Original Previous Handling Restrictions: n/a

Page Count: 2

Previous Channel Indicators: n/a
Previous Classification: SECRET **Previous Handling Restrictions: EXDIS** Reference: n/a Review Action: RELEASED, APPROVED Review Authority: martinml

Review Comment: n/a Review Content Flags: Review Date: 04 SEP 2002

Review Event:

Review Exemptions: n/a
Review History: RELEASED <04 SEP 2002 by shawdg>; APPROVED <19 FEB 2003 by martinml>

Review Markings:

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Review Media Identifier: Review Referrals: n/a Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

Secure: OPEN Status: NATIVE

Subject: EMBASSY SUGGESTED ALTERNATIVES TO IMPOSING SANCTIONS UNDER 620 (A)(3)

TAGS: PFOR, MILI, MASS, AR, US

To: STATE

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005